

**CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULARE MEETING VIA TELECONFERENCE
JANUARY 14, 2021**

ATTENDANCE: Gregory Burnett, Chair; David Heuvelman, Thomas Keegan John Kydes, Diane Revolus, Nicholas Sacchinelli, George Theodoridis

STAFF: Henry Dachowitz, Chief Financial Officer; Lisa Biagiarelli, Tax Collector; William Ford, Tax Assessor, Karen DelVecchio, Joyce Liu, Angela Fogel, Chitsamay Lam

OTHER: Joe Andrasko, Oak Hills Park Authority

I. CALL TO ORDER

Mr. Burnett called meeting to order at 7:05 p.m.

II. ROLL CALL

Mr. Burnett called the roll

III. PUBLIC PARTICIPATION

There was no action on this item

IV. APPROVAL OF MINUTES

December 10, 2020

**page 1 and throughout change "Craig Smith" to "Craig Schmidt"

**page 2, paragraph 4 change to "Mr. Heuvelman said we are thinking of them and he said the work they were doing was pretty phenomenal and much appreciated.

**page 2, paragraph 4 change to "we're collecting our dollars"

****MS. REVOLUS MOTIONED TO APPROVE MINUTES AS AMENDED**

**** THE MOTION PASSED 6-0 WITH ONE ABSTENTION (THEODORIDIS)**

**V. CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT;
REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT
DATED JANUARY 14, 2021**

Ms. Biagiarelli said that there were two special requests that the Finance Committee was being asked to vote on, noting that they are asked to vote on any amount over \$10,000.

She said the two they were voting on were for \$25,000 and \$1,200,000, the latter covering the years 2016-18. She said both resulted from court stipulations on assessment appeals.

Mr. Burnett asked for the background on the \$1,200,000 refund. Ms. Biagiarelli said that the taxpayer had appealed their assessment, and that it went to a judge for an agreement. She reiterated that it covered three years, that they'd paid their taxes, and now were entitled to a refund.

Mr. Kydes asked if this was reimbursement, Ms. Biagiarelli confirmed that it was. Mr. Kydes asked if these were the only two. Ms. Biagiarelli said the committee would see all of the refunds, noting that sometimes they gave tax credits. She said because these dollar amounts were so high, it had to be approved by the committee.

Mr. Heuvelman asked what would happen if they voted against it. Ms. Biagiarelli said that the legal department would likely reach out with more information as it was an agreed upon settlement approved by a judge. She said the city would have a problem if they didn't follow the agreed upon settlement.

Mr. Burnett asked Mr. Ford for background on the cases. The latter said that one property larger building in city, the other was a grouping of commercial condo units, both sold recently one before valuation, one shortly after. He said that the issue with the one that was sold first was that it was 26 separate units, and they didn't look closely at sale prices. In their analysis they reviewed information from property owners, their assessors did our own analyses and determined the agreements in pre-trial conferences.

****MR. HEUVELMAN MOTIONED TO APPROVE THE CLAIMS ON REPORT DATED JANUARY 14, 2021 INCLUDING THE TWO REIMBURSEMENTS
** THE MOTION PASSED UNANIMOUSLY .**

VI. NARRATIVE ON TAX COLLECTIONS DATED JANUARY 7, 2021 –RECEIVE RPEORT AND DISCUSS

Ms. Biagiarelli said the narrative followed the December report in their packets. She said they were roughly where need to be, at end the end of December they were 2.29% behind year before.

She noted that an issue had arisen since the last committee meeting. She said they'd planned for last day to pay taxes to be February 1, but the state gave a directive to offer the same relief as over the summer. She said that now the last day to pay April 1. She said it would cause some problems because they normally file liens in March, they would have to play the tax sale by ear. She said that everything would be extended by 60 days. Nevertheless, they were seeing relatively brisk collection even though they were open to the public for shortened hours. She noted that they continued to try to get the word out.

She noted that for people who pay through mortgage lenders taxes would be due February 1, per the State. She said that other than that the collection was normal.

Mr. Burnett said that as of the end of December they'd collected \$211,000,000 as opposed to 207,000,000. Ms. Biagiarelli said that they'd collected another \$16,000,000 January 1-12.

Mr. Keegan asked if there were more cases with reimbursements like the \$1,200,000 they could expect. Mr. Ford said they had a number of significant properties under appeal, including Merit 7. He said even a slight percentage change would result in significant adjustment. He said they hadn't negotiated that yet but could expect large payments.

Mr. Dachowitz said that when the assessor and deputy left in July of 2019, they had a backlog of legal cases. He said Mr. Ford had worked well with the legal department to triage the cases and worked through the backlogs. He said that in most cases when they settled them the dollars were set on a prospective basis so there wasn't an immediate hit.

Mr. Kydes asked if these were accounted for in the budget. MR. Dachowitz said that they did, they had a collection rate that covered it. He said that this year they'd lowered the assumed collection rate so they would have to collect more money to get the funds necessary to fund the city. He said that last year they'd benefitted by the timing of the abatement of the SoNo mall, which came later in October. He said that because of that, in this tax year they were expecting to collect the full amount.

Ms. Fogel said there was a \$3,000,000 reserve built into the budget. Mr. Kydes asked where they were after the payments they'd approved tonight. Ms. Fogel said she didn't think there were other large ones, so the \$1,200,000 would come out of this.

Mr. Dachowitz noted that they were in a five year cycle because of the revaluation. He said the most appeals came in the first two years, and there was less collected due to that. He said in years 3-5, they were able to lower the reserve. He said they'd budgeted carefully and were in good shape. Mr. Ford confirmed they'd properly budgeted for future settlements.

Mr. Heuvelman confirmed that the settlements were based on the 2018 revaluation. Mr. Ford said they and gave an overview of what they were working on. He said there had been over 400 cases when he'd arrived, about six 2012 cases and the rest from 2018. He said they were working on getting them handled and the only item of significance for 2019 would be the mall.

Mr. Dachowitz said that for the budget they were working on now, this was the first year of the seven year abetment period for the mall. He said they expected to have seven lean years, then back to increased value. He said in this budget they had a

\$4,000,000 debt to make up. He noted that between the collection rate and reserves they had litigation covered. He said they'd budget conservatively and thought they were in good shape.

Mr. Dachowitz said they were okay with fiscal year 2021, the conservative collection rate of 97.1% and reserves covering litigation would cover what they needed. He said they were still working on the next budget, due February 8. He said things continued to get clearer and hoped to get to a place where the budget was satisfactory.

**VII. MONTHLY TAX COLLECTOR 'S REPORTS DATED DECEMBER
2020—RECEIVE REPORT AND DISCUSS**

**VIII. RECEIVE OAK HILL AUTHORITY MONTHLY FINANCIAL STATEMENT
FOR NOVEMBER 30 AND REVIEW THE YEAR ENDING JUNE 30, 2020
AUDIT REPORT.**

Mr. Andrasko said that the winter was a lower revenue time. He said that in November the revenue was \$24,000, which was about \$90,000 better than the prior year. He said that the early read for December was that they had an operating loss of \$52,000, as expected with no golf playing in the winter. He said the cash balance as of December 31 was \$325,000 v. \$63,000 the year before. He said that last year the balance partially came from line of credit. He said that overall, they were strong financially.

He said the important takeaways from the audit were that they were aligned with standards and that there was no evidence of fraud. He said they had enough cash flow to service their debts, so they were rated a going concern. He said that the last thing in the audit was golf revenue of about \$1,470,000 of revenue. HE said that as per their consolidated debt payment agreements, it triggered the agreed upon 1% of golf revenue paid to the city. He said they'd repaid the city a total of \$67,000, per the agreement to pay \$2.00 per revenue round plus the 1%.

He said that they'd put through some price increases for calendar year 2021 for season passes. He said it was about a 45-80% increase and that it was based on extensive analysis. He said that so far, they'd sold 36 passes for \$71,000 in revenue between December 23 and January 12. He said that they expected to sell about fifty. He said that indicated they'd made the right decision with the price increase.

Mr. Kydes asked if they'd approved approve specifics for the new season pass? Mr. Andrasko said they had in December. Mr. Kydes asked if how early a season pass holder could book a tee time had changed. MR. Andrasko said season

passholders could book eight days in advance while the general public could book seven days in advance.

Mr. Heuvelman asked if past season holders would get the 14 days advance through April 30th? Mr. Andrasko said they would be able to, that it would flip after April 30.

Mr. Burnett asked if they had a new vendor for the restaurant. Mr. Andrasko said they were in discussions and expected to have operations up and running by April.

IX. AUTHORIZE THE MAYOR, HARRY W. RILLING, TO ENTER INTO AGREEMENTS WITH: VALUE PAYMENT SYSTEMS, LLC, A SOLE SOURCE PROVIDER; T TECH, LLC.; AND WORLDPAY US, INC., FOR ELECTRONIC PAYMENT PROCESSING SERVICES IN SUPPORT OF MUNICIPALITY ONLINE PERMITS, INSPECTIONS, FINES, AND FEES, FOR A PERIOD OF 36 MONTHS, IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT. ACCOUNT 011340-5211.

Ms. DeVecchio said that this was an agreement with Value Payment Systems, an electronic payment company well-respected in government, including the IRS. She said they were the preferred partner of the vendor who wrote the Norwalk Municipality system. She said to take applications for permits online, they needed a partner to collect the associated fees.

She said that they'd vetted VPS and were comfortable with their security posture. She said that Ms. Liu had negotiated with them and had gotten a price match on another vendor. She noted there was no cost to the city, that they charged a processing fee out of the fee for the online permit.

She said it was a big, important first step in taking permit applications online.

Ms. Liu noted that the credit card fee was 2.65% and that the ACH was \$0.95 per transaction.

Mr. Dachowitz said that this was a great example of breaking down silos and working collaboratively across departments which included the controller, IT and Legal.

****MR. KEEGAN MOTIONED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO ENTER INTO AGREEMENTS WITH: VALUE PAYMENT SYSTEMS, LLC, A SOLE SOURCE PROVIDER; T TECH, LLC.; AND WORLDPAY US, INC., FOR ELECTRONIC PAYMENT PROCESSING SERVICES IN SUPPORT OF MUNICIPALITY ONLINE PERMITS, INSPECTIONS, FINES, AND FEES, FOR A PERIOD OF 36 MONTHS, IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET**

FORTH IN THE AGREEMENT. ACCOUNT 011340-5211
** THE MOTION PASSED UNANIMOUSLY .

X. ADJOURNMENT

**MR. KEEGAN MOTIONED TO ADJOURN
** THE MOTION PASSED UNANIMOUSLY .

The meeting adjourned at 8pm.

Respectfully submitted,

Lora Grassilli
Telesco Secretarial Services